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A letter from a citizen in London to his friend in the country, concerning the Land Bank. [London, 1695.]

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A Letter from a Citizen of London to his Friend in the Country, concerning the Land Bank, Established by a Deed of Settlement Enroll'd in Chancery; and the Land Bank proposed to be Establish'd by Mr. Briscoe.

SIR,

ACCORDING to your desire, I present you with my Thoughts concerning the Two Land Banks now on Foot. Mr. Briscoe (who is yet gone no further than a Proposal, and taking Subscriptions thereupon) proposes that Three Millions, in Value of Land and Money, shall be the Original Stock to carry on his Project. The Land Subscribers are to borrow Three parts in Four, of the Value of their Estates, so subscribed, of the Money Subscribers, at the Rate of Three Pounds and Ten Pence *per Centum, per Annum*; which being paid to the Money'd Man, (if the Charge of the intended Office, and Accidents of bad Title permit) the Landed Man then comes in for a Dividend of all Profits that may arise; Two Thousand Pounds Value in Land, bearing an Equal Proportion with Fifteen Hundred Pounds in Money: So that supposing Two Millions in Land, and One Million in Money, to be in the Foundation of Mr. Briscoe's Undertaking, then the Proprietors of Two Millions and a half have an equal Title to the Dividend of all the Profits.

The way Mr. Briscoe proposes, for the Subscribers to make an Advantage, is by giving Two *per Cent.* for running Cash, and lending the same at Three Pounds and Ten Pence, whereby the Profit will be One Pound and Ten Pence *per Cent.*

But allowing the odd Ten Pence sunk in the Charge of Management, (although 'tis more than probable that Expence will rise much higher) and one *per Cent.* to be the Net Profit; it follows without further Explanation, that there must be Negotiated upon Credit the full Sum of the Original Stock: which (as I said before) is Two Millions and a half, before there can be a Dividend of One *per Cent.* So that to make up the Threeper Cent. Six to the Subscribers (without the prospect whereof at least, I presume but few, if any will be concern'd) they must circulate near Eight Millions *per Annum*, which seems to me too great a Sum to be depended on.

Besides, were it granted that Three *per Cent.* Profit might arise; yet there is so great an Inequality in Interest, between the Land and Money Subscribers, that can admit of no Reconciliation: For Three *per Cent.* Gain raises the Money'd Man's Interest but to Six; and yet makes the Landed Man borrow Money for nothing; it being plain that as the Interest of the Money'd Man Advances, the Interest of the Landed Man Sinks.

But supposing (though it seems scarce possible) Men should fee no farther into their own Interest, than to venture their Money upon such Terms; yet the Difference that must arise about the Management, will endanger the breaking the whole design; for the Borrowers, who are the Land Subscribers, being the Majority, must consequently have the greater share in the Management; and then it will follow, that the Money of the Lenders, must be disposed of at the will of the Borrowers.

For these Reasons, and the many other Objections Mr. Briscoe's Undertaking seems liable to, I think it altogether Impracticable.

I shall now proceed to give you some Account of the Land Bank, which is Establish'd by a Deed of Settlement Executed by Trustees chosen by the Subscribers, and great part of the Money subscribed already paid in.

The Stock in this undertaking is to be Five Hundred Thousand Pounds; and there is a power reserved in the Deed of Settlement to make it a Million, if the Subscribers shall see Occasion: The whole Stock is to be in Money; Three Hundred and Fifty Thousand Pounds is already subscribed, and the rest is reserved till the Term, that Country Gentlemen and others, who will then be in Town, may be admitted.

The Methods for employing this Stock, and all the Money the Bank shall have Credit for, are plain and easy: They lend Money at Three and a half *per Cent.* to all freeholders, and others that have occasion to Mortgage their Lands and Houses; and who may as they please take up any Sum not exceeding Three Fourths of the Value of the same: All things are here avoided, that might breed Confusion, by different Interests of Land and Money Subscribers; and indeed, the whole Undertaking seems to be no more than a Society of Men, who have agreed to be Contributors to raise a Stock of Money, ready to be lent to all that bring a good Security, of either Land or Houses, at Three and a half *per Cent. per Annum*: And there appears no more Difficulty in the Management, than what every Man meets with, who disposes of Money the same way.

As to what relates to the Benefit of the Undertakers, I think it may be taken for granted, that they must in time have a very large Credit; because the Security they give, is beyond all Question the best in the World.

The Land of England is the Security they give, no Bill being to be issued but what has a reference to a Mortgage; so that the Land of England becomes the Fund of Credit, and consequently this Undertaking may properly be stiled a Land Bank: Besides, the whole Stock of Money is a Fund of Insurance for all Bills, in Case of bad Titles; on which they will allow Two *per Cent. per Annum* Interest; and therefore I think 'tis next to a Demonstration, that the Managers of the Bank cannot Circulate less Money upon their Credit, than what will produce by the One and a half *per Cent.* (which is the profit of all Money borrowed) sufficient to make a Dividend (including the Three and a half *per Cent.*) of Ten or Twelve Pounds *per Cent.* Yearly; which I am persuaded none will think too great a Reward for so Generous an Undertaking, that I dare aver) will bring greater Advantage to the Freeholders of England, than what any Age has hitherto produced; which may appear by the following Instances, *Viz.*

—By reducing Money to Three and a half *per Cent.*

By advancing the Value of Lands in proportion to the Reduction of Interest.

By knocking off the Shackles of Procuration, and Continuation.

By making every Man's Estate both Money and Land, without any further trouble than entring it in this Bank; for the Titles being once ascertain'd and Register'd, they may make their Land a Quick Stock, which will be more useful than a Bank of Money lying by; they having the Convenience of taking up what Money they want, and paying in any part of the same, or the whole, without notice.

By the Freeholders having a certain place to resort to, for an immediate supply upon all Occasions.

All which, with many other advantages too tedious here to enumerate, seems to make the Freeholders Interest, that are concern'd with this Bank, equal with the Undertakers, without that Inconvenience and hazard, those Undertakers that are Mr. Briscoe's Subscribers may perhaps meet with, by an unprejudiced Settlement of their Estates.

But I am much concern'd to find such worthy Designs for the General good in some danger of being prejudiced by the Competition of two Parties, and with that they might be both brought to such a Temper, as may produce an Accommodation, which I am persuaded, would be their Reciprocal Interest, and seems (provided both Parties are well disposed) no very difficult thing to be effected: For 'tis probable by this time Mr. Briscoe's Money and Land Subscribers are convinc'd that his Undertaking is scarce practicable; but certainly not beneficial for them to join in.

And I conceive it might not be difficult to bring all under one Management, by taking Mr. Briscoe and his Money Subscribers into the Land Bank now Establish'd; which may also immediately accommodate his Land Subscribers with all Sums of Money they want, and interest them in all the Advantages before mention'd.

Thus I have impartially stated to you matter of Fact, and given you my Thoughts thereon, which I submit to your better Judgment, and am,

SIR,

Your Humble Servant

C. D.

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Gen. Bant.
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that is by the same.

